



General Assembly

***Amendment***

***January Session, 2015***

**LCO No. 8373**



Offered by:

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To: Subst. Senate Bill No. **949**

File No. 705

Cal. No. 401

***"AN ACT IMPROVING DATA SECURITY AND AGENCY  
EFFECTIVENESS."***

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2015*) (a) As used in this section  
4 and section 2 of this act:

5 (1) "Contractor" means an individual, business or other entity that is  
6 receiving confidential information from a state contracting agency or  
7 agent of the state pursuant to a written agreement to provide goods or  
8 services to the state.

9 (2) "State agency" means any agency with a department head, as  
10 defined in section 4-5 of the general statutes.

11 (3) "State contracting agency" means any state agency disclosing

12 confidential information to a contractor pursuant to a written  
13 agreement with such contractor for the provision of goods or services  
14 for the state.

15 (4) "Confidential information" means an individual's name, date of  
16 birth, mother's maiden name, motor vehicle operator's license number,  
17 Social Security number, employee identification number, employer or  
18 taxpayer identification number, alien registration number, government  
19 passport number, health insurance identification number, demand  
20 deposit account number, savings account number, credit card number,  
21 debit card number or unique biometric data such as fingerprint, voice  
22 print, retina or iris image, or other unique physical representation,  
23 personally identifiable information subject to 34 CFR 99, as amended  
24 from time to time and protected health information, as defined in 45  
25 CFR 160.103, as amended from time to time. In addition, "confidential  
26 information" includes any information that a state contracting agency  
27 identifies as confidential to the contractor. "Confidential information"  
28 does not include information that may be lawfully obtained from  
29 publicly available sources or from federal, state, or local government  
30 records that are lawfully made available to the general public.

31 (5) "Confidential information breach" means an instance where an  
32 unauthorized person or entity accesses confidential information that is  
33 subject to or otherwise used in conjunction with any part of a written  
34 agreement with a state contracting agency in any manner, including,  
35 but not limited to, the following occurrences: (A) Any confidential  
36 information that is not encrypted or secured by any other method or  
37 technology that renders the personal information unreadable or  
38 unusable is misplaced, lost, stolen or subject to unauthorized access;  
39 (B) one or more third parties have accessed, or taken control or  
40 possession of, without prior written authorization from the state, (i)  
41 any confidential information that is not encrypted or protected, or (ii)  
42 any encrypted or protected confidential information together with the  
43 confidential process or key that is capable of compromising the  
44 integrity of the confidential information; or (C) there is a substantial

45 risk of identity theft or fraud of the client of the state contracting  
46 agency, the contractor, the state contracting agency or the state.

47 (b) Except as provided in section 2 of this act, every written  
48 agreement that authorizes a state contracting agency to share  
49 confidential information with a contractor shall require the contractor  
50 to, at a minimum, do the following:

51 (1) At its own expense, protect from a confidential information  
52 breach any and all confidential information that it comes to possess or  
53 control, wherever and however stored or maintained;

54 (2) Implement and maintain a comprehensive data-security  
55 program for the protection of confidential information. The safeguards  
56 contained in such program shall be consistent with and comply with  
57 the safeguards for protection of confidential information as set forth in  
58 all applicable federal and state law and written policies of the state  
59 contained in the agreement. Such data-security program shall include,  
60 but not be limited to, the following: (A) A security policy for contractor  
61 employees related to the storage, access and transportation of data  
62 containing confidential information; (B) reasonable restrictions on  
63 access to records containing confidential information, including the  
64 area where such records are kept and secure passwords for  
65 electronically stored records; (C) a process for reviewing policies and  
66 security measures at least annually; and (D) an active and ongoing  
67 employee security awareness program that is mandatory for all  
68 employees who may have access to confidential information provided  
69 by the state contracting agency that, at a minimum, advises such  
70 employees of the confidentiality of the information, the safeguards  
71 required to protect the information and any applicable civil and  
72 criminal penalties for noncompliance pursuant to state and federal  
73 law;

74 (3) Limit access to confidential information to authorized contractor  
75 employees and authorized agents of the contractor, for authorized  
76 purposes as necessary for the completion of the contracted services or

77 provision of the contracted goods;

78 (4) Maintain all electronic data constituting confidential information  
79 obtained from state contracting agencies: (A) In a secure server; (B) on  
80 secure drives; (C) behind firewall protections and monitored by  
81 intrusion detection software; (D) in a manner where access is restricted  
82 to authorized employees and their authorized agents; and (E) as  
83 otherwise required under state and federal law;

84 (5) Implement, maintain and update security and breach  
85 investigation procedures that are appropriate given the nature of the  
86 information disclosed and that are reasonably designed to protect the  
87 confidential information from unauthorized access, use, modification,  
88 disclosure, manipulation or destruction;

89 (6) Notify the state contracting agency and the Attorney General as  
90 soon as practical after the contractor becomes aware of or has reason to  
91 believe that any confidential information that the contractor possesses  
92 or controls has been subject to a confidential information breach;

93 (7) Immediately cease all use of the data provided by the state  
94 contracting agency or developed internally by the contractor pursuant  
95 to a written agreement with the state if so directed by the state  
96 contracting agency; and

97 (8) In accordance with the proposed timetable established pursuant  
98 to subdivision (1) of subsection (e) of this section, submit to the office  
99 of the Attorney General and the state contracting agency either (A) a  
100 report detailing the breach or suspected breach, including a plan to  
101 mitigate the effects of any breach and specifying the steps taken to  
102 ensure future breaches do not occur, or (B) a report detailing why,  
103 upon further investigation, the contractor believes no breach has  
104 occurred. Any report submitted under this subdivision shall be  
105 considered information given in confidence and not required by  
106 statute, under subparagraph (B) of subdivision (5) of subsection (b) of  
107 section 1-210 of the general statutes.

108 (c) A contractor shall not:

109 (1) Store data constituting confidential information on stand-alone  
110 computer or notebook hard disks or portable storage devices such as  
111 external or removable hard drives, flash cards, flash drives, compact  
112 disks or digital video disks, except as provided for in the agreement  
113 and including alternate measures of security assurance approved  
114 pursuant to section 2 of this act; or

115 (2) Copy, reproduce or transmit data constituting confidential  
116 information, except as necessary for the completion of the contracted  
117 services or provision of the contracted goods.

118 (d) All copies of data constituting confidential information of any  
119 type, including, but not limited to, any modifications or additions to  
120 data that contain confidential information, are subject to the provisions  
121 of this section in the same manner as the original data.

122 (e) Except as provided in section 2 of this act, every written  
123 agreement that authorizes a state contracting agency to share  
124 confidential information with a contractor shall:

125 (1) Include a proposed timetable for submittal to the office of the  
126 Attorney General and the state contracting agency either (A) a report  
127 detailing the breach or suspected breach, or (B) a report detailing why,  
128 upon further investigation, the contractor believes no breach has  
129 occurred; and

130 (2) Specify how the cost of any notification about, or investigation  
131 into, a confidential information breach is to be apportioned when the  
132 state contracting agency or contractor is the subject of such a breach.

133 (f) The notice required by subsection (b) of this section may be  
134 delayed (1) at the state contracting agency's sole discretion based on  
135 the report and, if applicable, the plan provided, or (2) if a law  
136 enforcement agency or intelligence agency notifies the contractor that  
137 such notification would impede a criminal investigation or jeopardize

138 homeland or national security. If notice is delayed pursuant to this  
139 subsection, notification shall be given as soon as reasonably feasible by  
140 the contractor to the applicable state contracting agency.

141 (g) The Attorney General may investigate any violation of this  
142 section. If the Attorney General finds that a contractor has violated or  
143 is violating any provision of this section, the Attorney General may  
144 bring a civil action in the superior court for the judicial district of  
145 Hartford under this section in the name of the state against such  
146 contractor. Nothing in this section shall be construed to create a private  
147 right of action.

148 (h) If the confidential information or personally identifiable  
149 information, as defined in 34 CFR 99.3, that has been subject to a  
150 confidential information breach consists of education records, the  
151 contractor may be subject to a five-year ban from receiving access to  
152 such information imposed by the State Department of Education.

153 (i) The requirements of this section shall be in addition to the  
154 requirements of section 36a-701b of the general statutes, as amended  
155 by this act, and nothing in this section shall be construed to supersede  
156 a contractor's obligations pursuant to the Health Insurance Portability  
157 and Accountability Act of 1996 P.L. 104-191 (HIPAA), the Family  
158 Educational Rights and Privacy Act of 1974, 20 USC 1232g, (FERPA) or  
159 any other applicable federal or state law.

160 Sec. 2. (NEW) (*Effective July 1, 2015*) The Secretary of the Office of  
161 Policy and Management, or the secretary's designee, may require  
162 additional protections or alternate measures of security assurance for  
163 any requirement of section 1 of this act where the facts and  
164 circumstances warrant such additional requirement or alternate  
165 measure after taking into consideration, among other factors, (1) the  
166 type of confidential information being shared, (2) the amount of  
167 confidential information being shared, (3) the purpose for which the  
168 information is being shared, and (4) the types of goods or services  
169 being contracted for.

170 Sec. 3. Section 4-66 of the general statutes is repealed and the  
171 following is substituted in lieu thereof (*Effective from passage*):

172 The Secretary of the Office of Policy and Management shall have the  
173 following functions and powers:

174 (1) To keep on file information concerning the state's general  
175 accounts;

176 (2) [to] To furnish all accounting statements relating to the financial  
177 condition of the state as a whole, to the condition and operation of  
178 state funds, to appropriations, to reserves and to costs of operations;

179 (3) [to] To furnish such statements as and when they are required  
180 for administrative purposes and, at the end of each fiscal period, to  
181 prepare and publish such financial statements and data as will convey  
182 to the General Assembly the essential facts as to the financial  
183 condition, the revenues and expenditures and the costs of operations  
184 of the state government;

185 (4) [to] To furnish to the State Comptroller on or before the  
186 twentieth day of each month cumulative monthly statements of  
187 revenues and expenditures to the end of the last-completed month  
188 together with [(1)] (A) a statement of estimated revenue by source to  
189 the end of the fiscal year, at least in the same detail as appears in the  
190 budget act, and [(2)] (B) a statement of appropriation requirements of  
191 the state's General Fund to the end of the fiscal year itemized as far as  
192 practicable for each budgeted agency, including estimates of lapsing  
193 appropriations, unallocated lapsing balances and unallocated  
194 appropriation requirements;

195 (5) [to] To transmit to the Office of Fiscal Analysis a copy of monthly  
196 position data and monthly bond project run;

197 (6) [to] To inquire into the operation of, and make or recommend  
198 improvement in, the methods employed in the preparation of the  
199 budget and the procedure followed in determining whether the funds

200 expended by the departments, boards, commissions and institutions  
201 supported in whole or in part by the state are wisely, judiciously and  
202 economically expended and to submit such findings and  
203 recommendations to the General Assembly at each regular session,  
204 together with drafts of proposed legislation, if any;

205 (7) [to] To examine each department, state college, state hospital,  
206 state-aided hospital, reformatory and prison and each other institution  
207 or other agency supported in whole or in part by the state, except  
208 public schools, for the purpose of determining the effectiveness of its  
209 policies, management, internal organization and operating procedures  
210 and the character, amount, quality and cost of the service rendered by  
211 each such department, institution or agency;

212 (8) [to] To recommend, and to assist any such department,  
213 institution or agency to effect, improvements in organization,  
214 management methods and procedures and to report its findings and  
215 recommendations and submit drafts of proposed legislation, if any, to  
216 the General Assembly at each regular session;

217 (9) [to] To consider and devise ways and means whereby  
218 comprehensive plans and designs to meet the needs of the several  
219 departments and institutions with respect to physical plant and  
220 equipment and whereby financial plans and programs for the capital  
221 expenditures involved may be made in advance and to make or assist  
222 in making such plans;

223 (10) [to] To devise and prescribe the form of operating reports that  
224 shall be periodically required from the several departments, boards,  
225 commissions, institutions and agencies supported in whole or in part  
226 by the state;

227 (11) [to] To require the several departments, boards, commissions,  
228 institutions and agencies to make such reports for such periods as said  
229 secretary may determine; and

230 (12) [to] To verify the correctness of, and to analyze, all such reports



231 and to take such action as may be deemed necessary to remedy  
232 unsatisfactory conditions disclosed by such reports.

233 Sec. 4. (NEW) (*Effective July 1, 2015*) (a) For purposes of this section:

234 (1) "Data" means statistical or factual information that: (A) is  
235 reflected in a list, table, graph, chart, or other nonnarrative form that  
236 can be digitally transmitted or processed; (B) is regularly created and  
237 maintained by or on behalf of an executive agency; and (C) records a  
238 measurement, transaction or determination related to the mission of  
239 the executive agency or is provided to such agency by any third party  
240 as required by any provision of law. "Data" does not include return  
241 and return information, as defined in section 12-15 of the general  
242 statutes;

243 (2) "Executive agency" means any agency with a department head,  
244 as defined in section 4-5 of the general statutes, a constituent unit of  
245 higher education, as defined in section 10a-1 of the general statutes, or  
246 the Office of Higher Education, established by section 10a-1d of the  
247 general statutes; and

248 (3) "State agency" means any office, department, board, council,  
249 commission, institution, constituent unit of the state system of higher  
250 education, technical high school or other agency in the executive,  
251 legislative or judicial branch of state government.

252 (b) The Secretary of the Office of Policy and Management shall  
253 develop a program to access, link, analyze and share data maintained  
254 by executive agencies and to respond to queries from any state agency,  
255 and from any private entity or person that would otherwise require  
256 access to data maintained by two or more executive agencies. The  
257 secretary shall give priority to queries that seek to measure outcomes  
258 for state-funded programs or that may facilitate the development of  
259 policies to promote the effective, efficient and best use of state  
260 resources.

261 (c) The secretary shall establish policies and procedures to:

262 (1) Review and respond to queries to ensure (A) a response is  
263 permitted under state and federal law; (B) the privacy and  
264 confidentiality of protected data can be assured; and (C) the query is  
265 based on sound research design principles; and

266 (2) Protect and ensure the security, privacy, confidentiality and  
267 administrative value of data collected and maintained by executive  
268 agencies.

269 (d) The secretary shall, in consultation with the Chief Information  
270 Officer, develop and implement a secure information technology  
271 solution to link data across executive agencies and to develop and  
272 implement a detailed data security and safeguarding plan for the data  
273 accessed or shared through such solution.

274 (e) The secretary shall request from, and execute a memorandum of  
275 agreement with, each executive agency detailing data-sharing between  
276 the agency and the Office of Policy and Management. Each such  
277 agreement shall authorize the Office of Policy and Management to act  
278 on behalf of the executive agency that is a party to such agreement for  
279 purposes of data access, matching and sharing and shall include  
280 provisions to ensure the proper use, security and confidentiality of the  
281 data shared. Any executive agency that is requested by the secretary to  
282 execute such an agreement shall comply with such request.

283 (f) The secretary shall notify the applicable executive agency when  
284 data within such agency's custody has been requested under  
285 subsection (b) of this section.

286 (g) The Secretary of the Office of Policy and Management shall be an  
287 authorized representative of the Labor Commissioner or administrator  
288 of unemployment compensation under chapter 567 of the general  
289 statutes and shall receive upon request by the secretary any  
290 information in the Labor Commissioner's possession relating to  
291 employment records that may include, but need not be limited to:  
292 Employee name, Social Security number, current residential address,

293 name and address of the employer, employer North American  
294 Industry Classification System code and wages. In addition, the Labor  
295 Department, upon the request of the Secretary of the Office of Policy  
296 and Management, shall furnish unemployment compensation wage  
297 records contained in the quarterly returns required and maintained by  
298 the Labor Commissioner pursuant to section 31-254 of the general  
299 statutes, for purposes of this section.

300 (h) For the purposes of the Freedom of Information Act, as defined  
301 in section 1-200 of the general statutes, the Office of Policy and  
302 Management shall not be considered the agency with custody or  
303 control of any public records or files that are made accessible to said  
304 office pursuant to this section, but shall be considered the agency with  
305 custody and control of any public records or files created by the Office  
306 of Policy and Management, including, but not limited to, all reports  
307 generated by said office in response to queries posed under subsection  
308 (b) of this section.

309 Sec. 5. (NEW) (*Effective October 1, 2015*) (a) As used in this section:

310 (1) "Breach of security" has the same meaning as provided in section  
311 36a-701b of the general statutes, as amended by this act;

312 (2) "Company" means a health insurer, health care center or other  
313 entity licensed to do health insurance business in this state, pharmacy  
314 benefits manager, as defined in section 38a-479aaa of the general  
315 statutes, third-party administrator, as defined in section 38a-720 of the  
316 general statutes, that administers health benefits, and utilization  
317 review company, as defined in section 38a-591a of the general statutes;

318 (3) "Encryption" means the rendering of electronic data into a form  
319 that is unreadable or unusable without the use of a confidential  
320 process or key; and

321 (4) "Personal information" means an individual's first name or first  
322 initial and last name in combination with any one or more of the  
323 following data: (A) A Social Security number; (B) a driver's license

324 number or a state identification number; (C) protected health  
325 information as defined in 45 CFR 160.103, as amended from time to  
326 time; (D) a taxpayer identification number; (E) an alien registration  
327 number; (F) a government passport number; (G) a demand deposit  
328 account number; (H) a savings account number; (I) a credit card  
329 number; (J) a debit card number; or (K) unique biometric data such as  
330 a fingerprint, a voice print, a retina or an iris image, or other unique  
331 physical representations. "Personal information" does not include  
332 publicly available information that is lawfully made available to the  
333 general public from federal, state or local government records or  
334 widely distributed media.

335 (b) (1) Not later than October 1, 2017, each company shall  
336 implement and maintain a comprehensive information security  
337 program to safeguard the personal information of insureds and  
338 enrollees that is compiled or maintained by such company. Such  
339 security program shall be in writing and contain administrative,  
340 technical and physical safeguards that are appropriate to (A) the size,  
341 scope and type of business of such company, (B) the amount of  
342 resources available to such company, (C) the amount of data compiled  
343 or maintained by such company, and (D) the need for security and  
344 confidentiality of such data.

345 (2) Each company shall update such security program as often as  
346 necessary and practicable but at least annually and shall include in  
347 such security program:

348 (A) Secure computer and Internet user authentication protocols that  
349 include, but are not limited to, (i) control of user identifications and  
350 other identifiers, (ii) multifactor authentication that includes a  
351 reasonably secure method of assigning and selecting a password or the  
352 use of unique identifier technologies such as biometrics or security  
353 tokens, (iii) control of security passwords to ensure that such  
354 passwords are maintained in a location and format that do not  
355 compromise the security of personal information, (iv) restriction of  
356 access to only active users and active user accounts, and (v) the

357 blocking of access after multiple unsuccessful attempts to gain access  
358 to data compiled or maintained by a company;

359 (B) Secure access control measures that include, but are not limited  
360 to, (i) restriction of access to personal information to only those  
361 individuals who require such data to perform their job duties, (ii)  
362 assignment, to each individual with computer and Internet access to  
363 data compiled or maintained by such company, of passwords that are  
364 not vendor-assigned default passwords and that require resetting not  
365 less than every six months and of unique user identifications, that are  
366 designed to maintain the integrity of the security of the access controls,  
367 (iii) encryption of all personal information while being transmitted on  
368 a public Internet network or wirelessly, (iv) encryption of all personal  
369 information stored on a laptop computer or other portable device, (v)  
370 monitoring of such company's security systems for breaches of  
371 security, (vi) for personal information that is stored or accessible on a  
372 system that is connected to the Internet, reasonably up-to-date  
373 software security protection that can support updates and patches,  
374 including, but not limited to, firewall protection, operating system  
375 security patches and malicious software protection, and (vii) employee  
376 education and training on the proper use of the company's security  
377 systems and the importance of the security of personal information;

378 (C) Designation of one or more employees to oversee such security  
379 program and the maintenance of such security program;

380 (D) (i) Identification and assessment of reasonably foreseeable  
381 internal and external risks to the security, confidentiality or integrity of  
382 any electronic, paper or other records that contain personal  
383 information, (ii) evaluation and improvement where necessary of the  
384 effectiveness of the current safeguards for limiting such risks,  
385 including, but not limited to, (I) ongoing employee training, (II)  
386 employee compliance with security policies and procedures, and (III)  
387 means for detecting and preventing security system failures, and (iii)  
388 the upgrade of safeguards as necessary to limit risks;

389 (E) Development of employee security policies and procedures for  
390 the storage of, access to, transport of and transmittal of personal  
391 information off-premises;

392 (F) Imposition of disciplinary measures on employees for violating  
393 security policies or procedures or other provisions of the  
394 comprehensive information security program;

395 (G) Prevention of terminated, inactive or retired employees from  
396 accessing personal information;

397 (H) Oversight of third parties with which such company enters into  
398 contracts or agreements that have or will have access to personal  
399 information compiled or maintained by the company, by (i) selecting  
400 third parties that are capable of maintaining appropriate safeguards  
401 consistent with this subsection to protect such personal information,  
402 and (ii) requiring such third parties by contract or agreement to  
403 implement and maintain such safeguards;

404 (I) Reasonable restrictions on physical access to personal  
405 information in paper format and storage of such data in locked  
406 facilities, storage areas or containers;

407 (J) Review of the scope of the secure access control measures at least  
408 annually or whenever there is a material change in the company's  
409 business practices that may affect the security, confidentiality or  
410 integrity of personal information;

411 (K) Mandatory post-incident review by the company following any  
412 actual or suspected breach of security, and documentation of actions  
413 the company takes in response to such breach, including any changes  
414 the company makes to its business practices relating to the  
415 safeguarding of personal information; and

416 (L) Any other safeguards the company believes will enhance its  
417 comprehensive information security program.

418 (c) On or after October 1, 2017, each company shall certify annually  
419 to the Insurance Department, under penalty of perjury, that it  
420 maintains a comprehensive information security program that  
421 complies with the requirements of subsection (b) of this section.

422 (d) Upon request by the Insurance Commissioner or by the Attorney  
423 General, each company shall provide to the commissioner or the  
424 Attorney General a copy of its comprehensive information security  
425 program. If the commissioner or the Attorney General determines that  
426 such security program does not conform to the requirements set forth  
427 in subsection (b) of this section, the commissioner or the Attorney  
428 General shall notify the company of such determination and such  
429 company shall make changes as necessary to bring such security  
430 program into conformance to the commissioner's or the Attorney  
431 General's satisfaction.

432 (e) Each company that discovers an actual or suspected breach of  
433 security shall (1) comply with the notice requirements set forth in  
434 section 36a-701b of the general statutes, as amended by this act, (2) be  
435 subject to the penalty set forth in subsection (g) of section 36a-701b of  
436 the general statutes, as amended by this act, for failure to comply, and  
437 (3) offer appropriate identity theft prevention services and, if  
438 applicable, identity theft mitigation services, as set forth in  
439 subparagraph (B) of subdivision (2) of subsection (b) of section 36a-  
440 701b of the general statutes, as amended by this act.

441 (f) The Insurance Commissioner shall enforce the provisions of  
442 subsections (b) to (d), inclusive, of this section.

443 Sec. 6. Section 36a-701b of the general statutes is repealed and the  
444 following is substituted in lieu thereof (*Effective October 1, 2015*):

445 (a) For purposes of this section, (1) "breach of security" means  
446 unauthorized access to or unauthorized acquisition of electronic files,  
447 media, databases or computerized data, containing personal  
448 information when access to the personal information has not been

449 secured by encryption or by any other method or technology that  
450 renders the personal information unreadable or unusable; and (2)  
451 "personal information" means an individual's first name or first initial  
452 and last name in combination with any one, or more, of the following  
453 data: [(1)] (A) Social Security number; [(2)] (B) driver's license number  
454 or state identification card number; or [(3)] (C) account number, credit  
455 or debit card number, in combination with any required security code,  
456 access code or password that would permit access to an individual's  
457 financial account. "Personal information" does not include publicly  
458 available information that is lawfully made available to the general  
459 public from federal, state or local government records or widely  
460 distributed media.

461 (b) (1) Any person who conducts business in this state, and who, in  
462 the ordinary course of such person's business, owns, licenses or  
463 maintains computerized data that includes personal information, shall  
464 provide notice of any breach of security following the discovery of the  
465 breach to any resident of this state whose personal information was [,  
466 breached or is reasonably believed to have been [, accessed by an  
467 unauthorized person through such breach of security] breached. Such  
468 notice shall be made without unreasonable delay but not later than  
469 ninety days after the discovery of such breach, unless a shorter time is  
470 required under federal law, subject to the provisions of subsection (d)  
471 of this section and the completion of an investigation by such person to  
472 determine the nature and scope of the incident, to identify the  
473 individuals affected, or to restore the reasonable integrity of the data  
474 system. Such notification shall not be required if, after an appropriate  
475 investigation and consultation with relevant federal, state and local  
476 agencies responsible for law enforcement, the person reasonably  
477 determines that the breach will not likely result in harm to the  
478 individuals whose personal information has been acquired and  
479 accessed.

480 (2) If notice of a breach of security is required by subdivision (1) of  
481 this subsection: [, the]



482       (A) The person who conducts business in this state, and who, in the  
483       ordinary course of such person's business, owns, licenses or maintains  
484       computerized data that includes personal information, shall, not later  
485       than the time when notice is provided to the resident, also provide  
486       notice of the breach of security to the Attorney General; and

487       (B) The person who conducts business in this state, and who, in the  
488       ordinary course of such person's business, owns or licenses  
489       computerized data that includes personal information, shall offer to  
490       each resident whose personal information under subparagraph (A) of  
491       subdivision (4) of subsection (a) of section 5 of this act or subparagraph  
492       (A) of subdivision (2) of subsection (a) of this section was breached or  
493       is reasonably believed to have been breached, appropriate identity  
494       theft prevention services and, if applicable, identity theft mitigation  
495       services. Such service or services shall be provided at no cost to such  
496       resident for a period of not less than twelve months. Such person shall  
497       provide all information necessary for such resident to enroll in such  
498       service or services and shall include information on how such resident  
499       can place a credit freeze on such resident's credit file.

500       (c) Any person that maintains computerized data that includes  
501       personal information that the person does not own shall notify the  
502       owner or licensee of the information of any breach of the security of  
503       the data immediately following its discovery, if the personal  
504       information of a resident of this state was [,] breached or is reasonably  
505       believed to have been [accessed by an unauthorized person] breached.

506       (d) Any notification required by this section shall be delayed for a  
507       reasonable period of time if a law enforcement agency determines that  
508       the notification will impede a criminal investigation and such law  
509       enforcement agency has made a request that the notification be  
510       delayed. Any such delayed notification shall be made after such law  
511       enforcement agency determines that notification will not compromise  
512       the criminal investigation and so notifies the person of such  
513       determination.

514 (e) Any notice to a resident, owner or licensee required by the  
515 provisions of this section may be provided by one of the following  
516 methods: (1) Written notice; (2) telephone notice; (3) electronic notice,  
517 provided such notice is consistent with the provisions regarding  
518 electronic records and signatures set forth in 15 USC 7001; (4)  
519 substitute notice, provided such person demonstrates that the cost of  
520 providing notice in accordance with subdivision (1), (2) or (3) of this  
521 subsection would exceed two hundred fifty thousand dollars, that the  
522 affected class of subject persons to be notified exceeds five hundred  
523 thousand persons or that the person does not have sufficient contact  
524 information. Substitute notice shall consist of the following: (A)  
525 Electronic mail notice when the person has an electronic mail address  
526 for the affected persons; (B) conspicuous posting of the notice on the  
527 web site of the person if the person maintains one; and (C) notification  
528 to major state-wide media, including newspapers, radio and television.

529 (f) Any person that maintains such person's own security breach  
530 procedures as part of an information security policy for the treatment  
531 of personal information and otherwise complies with the timing  
532 requirements of this section, shall be deemed to be in compliance with  
533 the security breach notification requirements of this section, provided  
534 such person notifies, as applicable, residents of this state, owners and  
535 licensees in accordance with such person's policies in the event of a  
536 breach of security and in the case of notice to a resident, such person  
537 also notifies the Attorney General not later than the time when notice  
538 is provided to the resident. Any person that maintains such a security  
539 breach procedure pursuant to the rules, regulations, procedures or  
540 guidelines established by the primary or functional regulator, as  
541 defined in 15 USC 6809(2), shall be deemed to be in compliance with  
542 the security breach notification requirements of this section, provided  
543 (1) such person notifies, as applicable, such residents of this state,  
544 owners, and licensees required to be notified under and in accordance  
545 with the policies or the rules, regulations, procedures or guidelines  
546 established by the primary or functional regulator in the event of a  
547 breach of security, and (2) if notice is given to a resident of this state in

548 accordance with subdivision (1) of this subsection regarding a breach  
 549 of security, such person also notifies the Attorney General not later  
 550 than the time when notice is provided to the resident.

551 (g) Failure to comply with the requirements of this section shall  
 552 constitute an unfair trade practice for purposes of section 42-110b and  
 553 shall be enforced by the Attorney General.

554 Sec. 7. (NEW) (*Effective July 1, 2016*) (a) As used in this section,  
 555 "smartphone" means a hand-held cellular mobile telephone or other  
 556 mobile voice communications handset device that includes all of the  
 557 following features: (1) A mobile operating system, (2) the capability to  
 558 utilize mobile software applications, access and browse the Internet,  
 559 utilize text messaging, utilize digital voice service and send and  
 560 receive electronic mail, (3) wireless network connectivity, and (4) the  
 561 capability of operating on a long-term evolution network or on any  
 562 successor wireless data network communication standard. A  
 563 smartphone does not include a telephone commonly referred to as a  
 564 "feature" or "messaging" telephone, a laptop computer, a tablet device  
 565 or a device that has only electronic reading capability.

566 (b) From the effective date of this section until July 1, 2017, no  
 567 person shall offer a new model of a smartphone for retail sale in this  
 568 state, unless such smartphone includes software or hardware, or a  
 569 combination of both, or software that is downloadable upon initial  
 570 activation upon purchase, that once initiated and successfully  
 571 communicated by an authorized user, render inoperable the essential  
 572 features of the smartphone to an unauthorized user."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	New section
Sec. 3	<i>from passage</i>	4-66
Sec. 4	<i>July 1, 2015</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section

Sec. 6	<i>October 1, 2015</i>	36a-701b
Sec. 7	<i>July 1, 2016</i>	New section